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DOCUMENT 419/77

Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the  
Council (Doc. 252/77) for a regulation relating to the organization of a survey on  
the structure of agricultural holdings in 1979

Rapporteur: Mr J. SCOTT-HOPKINS

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By letter of 26 August 1977 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation relating to the organization of a survey on the structure of agricultural holdings in 1979.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion.

The Committee on Agriculture appointed Mr Scott-Hopkins rapporteur on 20 September 1977.

It considered this proposal at its meeting of 22/23 November 1977.

At the same meeting the committee adopted the motion for a resolution and the explanatory statement by nine votes in favour with two abstentions.

Present: Mr Houdet, chairman; Mr Liogier and Mr Hughes, vice-chairmen; Mr Scott-Hopkins, rapporteur; Mr Albertini, Mr Durand, Mr Früh, Mr Guerlin, Mr Klinker, Mr Kofoed and Mr Mitchell.

The opinion of the Committee on Budgets is attached.

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A

The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation relating to the organization of a survey on the structure of agricultural holdings in 1979

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council<sup>1</sup>,
  - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 252/77),
  - having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 419/77),
1. Approves the Commission's proposal subject to the reservations and amendments included below;
  2. Calls upon the Commission to draw up a definition of statistically insignificant holdings so as to establish a realistic lower limit on the scope of future surveys;
  3. Considers that special provision should be made for horticultural holdings, intensive and non-land based production of beef, poultry and pigmeat which would otherwise be excluded if the lower limit were to be raised;
  4. Welcomes the fact that the 1979 survey will include, for the first time, questions relating to part-time farmers and share-farming;
  5. Insists that the proposal be strictly applied so as to ensure that there will be no delays caused by the failure of Member States to submit information within the established deadlines and in a proper form;

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<sup>1</sup> OJ No. C 216, 9.9.1977, p. 3

6. Considers that more precise deadlines for the submission of results should be given, with the time provided to Member States upon completion of field work for the submission of results reduced from eighteen to twelve months;
7. Requests, in consequence that the deadline for the submission of results be established as 15 June 1981;
8. Believes that the statistical surveys on the structure of farm holdings should be employed more directly to monitor the effectiveness of particular structural policies;
9. Believes that the survey should include questions relating to technical progress;
10. Requests that greater information be included relating to the publication of the results of previous surveys and improvements in the forms in which surveys are published intended to ensure them a wider audience and greater relevance;
11. Requests the Commission to incorporate the following amendments in its proposal, pursuant to Article 149, second paragraph, of the EEC Treaty.

Proposal

from the Commission of the European Communities to the  
Council for a regulation relating to the organisation of  
a survey on the structure of agricultural holdings in 1979

Preamble, recitals and Article 1 unchanged

Article 2

paragraph 1 unchanged

2. The survey shall cover :

- (a) agricultural holdings where the agricultural area utilized for farming is one hectare or more;
- (b) agricultural holdings where the agricultural area utilized for farming is less than one hectare, if they market a certain proportion of their products or if their standard gross production exceeds certain physical units.

Article 2

2. The survey shall cover :

- (a) agricultural holdings where the agricultural area utilized for farming is one hectare or more;
- (b) agricultural holdings where the agricultural area utilized for farming is less than one hectare, if they market a certain proportion of their products and if their standard gross production exceeds certain physical units.

Articles 3 to 8 unchanged

Article 9

Member States shall :

- (a) transcribe the results referred to in Article 8 on to magnetic tape using a standard programme for all Member States. The method of transcription and the standard programme shall be drawn up in accordance with the procedure laid down in Article 12;
- (b) submit the magnetic tapes referred to in (a) to the Statistical Office of the European Communities. They shall be submitted within 18 months of completion of the field work.

Article 9

Member States shall :

- (a) unchanged
- (b) submit the magnetic tapes referred to in (a) to the Statistical Office of the European Communities. They shall be submitted within 12 months of completion of the field work and at the latest by 15 June 1981.

Articles 10 to 14 unchanged

<sup>1</sup> For full text see OJ No. C 216, 9.9.1977, p. 3

EXPLANATORY STATEMENTIntroduction

1. The purpose of the Commission's proposal is to provide for the organisation of a survey for 1979 on the structure of agricultural holdings, to be carried out within the framework of a programme of Community surveys laid down in 1973 for the period 1975 to 1980.

2. A basic survey had been held in 1966/67 and, following a recommendation from the FAO that a general agricultural census be held every ten years, the first took place in 1970.

It became evident that regular and high quality information was required, with the national statistics harmonized so as to allow for a proper comparison between Member States and to cover the specific aspects essential to the development of Community policies.

The programme provided for :

- a) an intermediate survey in 1975;
- b) an updating exercise in 1977;
- c) the FAO census of 1979 to be adapted to Community needs.

3. The intermediate surveys, carried out in the five year interval between the FAO surveys, are intended to provide greater in-depth information on a wider range, including the structure of marketing (membership of corporations and use of contracts etc.) and going beyond data provided in the standard tables.

4. The 1975 and 1977 surveys were the first to provide comparable information for the nine Member States.

5. The 1979 survey, based on the decennial surveys recommended by the FAO, is similar to that of 1969 in design and execution but will permit comparison with the results of the 1975 and 1977 surveys.

It provides a Community schedule of tables for the purpose of analysis of data at Community level and will cover : type of tenure, land use, live-stock, machinery and equipment and farm labour force.

Scope of the survey

6. Any survey must seek to make a suitable compromise between two contradictory aims : to be as comprehensive as possible; and to avoid overloading the questionnaire with the ensuing risk of unnecessary delays in obtaining and processing the information.



The correct balance in a survey can only be judged in terms of the purpose of the survey, which alone allows priority to be ascribed to particular questions.

7. The surveys on agricultural structure are not academic exercises but should be directed towards policy needs and for making judgments on whether past and present policies have been or are being successful.

The information derived from these surveys is required for market and price policy, as well as structural policy itself.

8. A series of static images of agricultural structures at particular points in time is of limited value. It is more important : to examine factors leading to changes in structures, developments in production trends and yields; and the monitoring of structural policies, in addition to determining areas where structural policies are required. To these ends, dynamic rather than static surveys are required.

9. Your rapporteur does not wish, at this stage, to indicate a precise list of questions that should be included in future surveys, but the general aim of new items should be along the lines of the following suggestions :

- age and type of cowsheds as an indicator of technical progress;
- holdings submitting request for aid under Directives 159, 160 and 161 of 1972;
- availability of low interest loans and investment grants
- the grubbing-up and/or replanting of orchards and vineyards within a certain reference period;
- use of advisory services;
- existence of a successor wishing to take on the holding.

10. It may be argued that to include further questions would risk overloading future surveys. This risk could be reduced if existing questions were to be more carefully scrutinized to establish their utility. For example, a question on draft animals seems misplaced. Moreover, a series of questions concerning farm machinery, while at first sight necessary, will in fact reveal little of great significance for policy. A total of capital expended since the last survey would suffice.

#### Part-time farmers and corporately owned farms

11. The Committee on Agriculture welcomes the fact that in the 1979 survey questions relating to part-time farmers have been included, and accepts that, for 1979 alone, random samples may be employed for questions relating to other gainful employment (section M).

This Committee also wishes to remind the Commission that, in view of recent trends, a further item concerning corporately owned farms should be included in the schedule of questions.

#### Minimum size of holding

12. If, seeking to make surveys more manageable, one can go further and question the utility of holdings of one hectare, or less in certain cases, being surveyed. The very smallest farms have little impact on market policy and constitute a socio-political rather than an economic element in agricultural policy.

13. The difficulties in determining the lower cut-off levels of farms to be surveyed are great since a number of economic, socio-demographic and physical criteria have to be taken into account in relation to differing production patterns.

It is essential, however, that the Commission undertake at once an examination of this question in order to determine for future surveys a definition of statistically and economically insignificant agricultural holdings.

Provision could be made where necessary for special surveys of horticultural holdings, intensive and non-land based production of beef, poultry and pigmeat, in the case that the lower cut-off level were to be raised.

#### Delays in publication

14. The question of revision in size of holdings to be surveyed is all the more critical in view of the considerable delays in the publication of the results of previous surveys. The last survey for which results are available is that for 1970. All information required for the 1975 survey has yet to be transmitted by Member States to the Commission.

The implications of such delays go far beyond structural policy. The accounting network, being based on outdated information provided by the structural survey, clearly constitutes an unreliable basis for the objective method employed for the annual price review.

15. In these conditions, the Committee on Agriculture can only express its regret that the Commission has increased the time limit (in comparison with 1977) from twelve to eighteen months between the end of field work and the submission of data, and that no precise deadline has been included for the submission of results.

At the same time, the Committee on Agriculture recognizes the fact that, some Member States being required to transmit prepared tables to the Commission, the burden of work has shifted partly from the Commission to the Member States; this has led to pressures for the time limit for the submission of results to be increased.

The Committee on Agriculture, however, faced by the considerable delays in the publication of the results of the survey, considers that the time limit should be reduced and a precise date given, and your rapporteur would suggest 15 June 1981.

## New approaches

16. More important, in the long term, than the question of the nature of the statistics themselves is the use to which they are put. As stated above, statistics should not be an end in themselves but a tool to make structural policies more effective : to examine policies already in force and to develop new measures where needed.

17. The surveys at present organised do not allow for in-depth monitoring of the effects of particular measures on individual factors, such as income, management skills, training, except indirectly by comparing holdings or regions affected with other holdings or regions. Even here, the delays in publishing information make it virtually useless.

18. One useful step which the Commission is developing at the moment is the Community farm classification scheme mentioned above; this will allow for a more analytical approach to be adopted, for example by giving values of items by groups of holdings.

19. Another step would be to use the data to establish natural groupings of farms which could be examined as a whole and compared with one another : cereal, dairy, stock, mixed of 10-50h, 50-100, 100-300 and 300 upwards.

20. A much clearer picture would be given of the problems and effectiveness of structural policy if, within the framework of the surveys, a representative sampling of holdings were followed over a number of years.

21. These possibilities are limited, however, at present by two factors :

- (a) methodological problems yet to be solved;
- (b) limited Community resources.

22. Clearly, a great deal of work has to be done in this direction, and the Commission should make a step by drawing up a communication for the European Parliament and Council setting out the possibilities, stating the methodological problems, indicating the time scale within which each approach could be made operational and stating the resources, both in terms of finance and staff, that would be required.

23. In the meantime, the Commission, in addition to seeking to ensure that the results of surveys would be published without delays, should make provision for supplying information for those requiring it, such as this Committee, from a data bank, either in summary form or in special tables.

### Presentation

24. A greater effort should be made by the Commission to ensure that statistics collected will be presented in a form which will :

- (a) ensure a wider audience;
- (b) be more directly related to policy elaboration.

In presenting the 1977 survey, the Commission stated that statistics would be given in a number of different forms :

- (i) a popular digest of abstracts;
- (ii) a fifteen-page summary of key results;
- (iii) publication in farm classification scheme;
- (iv) analyses by groups of holdings (e.g. dairy and horticulture);
- (v) special analyses (200-300 pages);
- (vi) a basic publication by tables rather than geographical regions (1,000 pages).

### Budgetary implications

25. The cost of the greater part of the survey is covered by the Member States, being carried out within the framework of the ten-yearly census recommended by the FAO. Community financing is to be provided only for supplementary items concerning lucrative activity outside farming, at a rate of 1½ u.a. per supplementary question completed. There are no comprehensive figures on which to base estimated expenditure, but the Commission believes it will not exceed 400,000 u.a.

### Conclusions

26. The Committee on Agriculture believes that it can approve the Commission's proposal concerning the organisation of a structural survey in 1979. It is essential that high quality information, allowing for comparison between Member States, be provided at regular intervals.

27. There are, however, a number of serious reservations to be made.

Surveys are not an end in themselves but a tool to aid in the elaboration of policy.

The programme of surveys as presently conceived does not seem to be structured sufficiently with policy aims in mind or to monitor progress of policy decisions already taken.

28. Firstly, the delays in the publication of results limit the utility of results. The 1975 survey is still not available.

This has serious implications for structural and price policies.

29. Secondly, the surveys do not allow for sufficient analysis of structural policies and factors determining structural changes and trends in productivity.

30. The Committee on Agriculture recommends, therefore, that, for future surveys, and programmes of surveys :

- the time provided for the submission of results be kept to the minimum and a precise deadline be provided : 15 June 1981 in the case of the 1979 survey;
- the Commission urgently examine the question of the definition of statistically insignificant holdings;
- and that the Commission re-examine the list of questions covered so as to eliminate those that are not strictly necessary and include those relating to technical progress and productivity.

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the acting chairman to Mr HOUDET, chairman of the Committee on Agriculture

Luxembourg, 9 November 1977

Dear Mr Houdet,

At its meeting of 2/3 November 1977 the Committee on Budgets considered the proposal from the Commission of the European Communities to the Council (Doc. 252/77) for a regulation relating to the organization of a survey on the structure of agricultural holdings in 1979.

The proposal is the most recent of a series of similar regulations which provide for regular surveys on the structure of agricultural holdings.

The Committee on Budgets has in the past acknowledged the value of such surveys in shaping the common agricultural policy and feels that they should continue.

However, as on previous occasions, it considers it necessary to reiterate its position on a number of points contained in the proposed regulation.

The financial statement attached to the Commission's proposal is totally inadequate, not so much as regards presentation, although this is quite out of line with Parliament's wishes, but rather as regards content: the statement does not enable Parliament to ascertain where and when the expenditure occurs or in what form and by whom it is effected.

It would also have been interesting to know what share of the cost of these measures will be paid by the Member States, to enable an assessment to be made of the rate of 1½ u.a. per questionnaire.

In accordance with Decision No. 72/279/EEC, Article 12 of the proposed regulation gives the Standing Committee administrative powers whereby the Council is able to keep a check on the Commission.

However, under no circumstances should this affect the Commission's powers concerning the implementation of the budget.

Subject to these reservations the Committee on Budgets is able to deliver a favourable opinion.

Yours sincerely,

Heinrich Aigner  
Acting chairman

Present: Mr Aigner, acting chairman; Mr Alber, Lord Bessborough, Mr Calewaert (deputizing for Lord Bruce of Donington), Mrs Dahlerup, Mr Dalyell, Mr Dankert, Mr Schreiber, Mr Terrenoire and Mr Würtz.